

LARGE CURRENCY TRANSACTION REPORT (CTR)

What is the Currency Transaction Report? A report that must be filed with the IRS for currency transactions valued at more than \$10,000, or multiple transactions if they result in cash in or out totaling \$10,000 during any one business day, and the financial institution knows these transactions are by or on behalf of any one person.

Why file a Currency Transaction Report? The CTR is required by the implementing regulations of the Bank Secrecy Act (See 31 CFR 103). The Act is: (1) A federal law enacted in 1972, and subsequently amended, to detect and prevent money laundering by creating an investigative paper trail for large currency transactions and imposing civil and criminal penalties for noncompliance with its reporting requirements; (2) Federal legislation that requires banks to report cash transactions that exceed \$10,000 in any single day and requires the bank maintain certain records (copies of checks paid, deposits, and so forth). The act is intended to inhibit laundering of funds obtained through illegal activities.

Is the State of Alabama exempt from reporting? There are several exemptions to this reporting requirement such as other financial institutions and government entities. The State Treasury is exempt from reporting; however, an exemption form must be completed with each bank and filed with the IRS. This has been done at several local banks, such as Regions Bank, Sterling Bank, and Wachovia. If in doubt, it is best to file the CTR.

How to file a Currency Transaction Report? Complete the Currency Transaction Report form included on the Treasurer's Website. The completed report should be given to the bank teller with the cash deposit of \$10,000 or more. Instructions are included on the form.